

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

IN THE MATTER OF)
)
WESTCHESTER FIRE) CONSENT ORDER LEVYING A FINE
INSURANCE COMPANY,)
) NO. D02-71
An Authorized Insurer.)

FINDINGS OF FACT

1. Westchester Fire Insurance Company ("WFIC" hereafter) is a disability, property, casualty, marine transportation, surety, and vehicle insurer authorized to do business in the State of Washington.
2. WFIC issued a reimbursement policy of insurance to Westchester Specialty Insurance Services, Inc. ("WSIS" hereafter), a Georgia company, insuring the obligations of WSIS to vehicle owners who purchased vehicle service contracts from WSIS under a vehicle service contract program marketed under the name "Road Warrior".
3. In June, 2000, the Washington Office of Insurance Commissioner ("OIC" hereafter) learned that the reimbursement policy of insurance for the Road Warrior vehicle service contract program was issued by WFIC.
4. Prior to June 2000, WFIC had submitted to OIC only three rate and form filings for vehicle service contract reimbursement insurance, which filings were disapproved and then closed when OIC did not receive a response from WFIC within 90 days
5. The above-referenced insurance issued by WFIC affected subjects located wholly or in part or to be performed within this state.
6. Under the above-referenced policy, WFIC covered 5,626 vehicle service contracts issued in Washington from November, 1998, to May, 2000.

CONCLUSIONS OF LAW

1. WFIC failed to file and obtain OIC approval of rates used by WFIC in insurance affecting subjects located wholly or in part or to be performed within this state in violation of RCW 48.19.040.

2. WFIC failed to file and obtain OIC approval of forms used by WFIC in insurance affecting subjects located wholly or in part or to be performed within this state in violation of RCW 48.18.100.

CONSENT TO ORDER

Westchester Fire Insurance Company wishes to resolve this matter without further administrative or judicial proceedings and hereby admits to the foregoing Findings of Fact and Conclusions of Law. Westchester Fire Insurance Company hereby consents to the entry of this order and acknowledges its duty to comply fully with the applicable laws of the State of Washington.

By agreement of the parties, the OIC will impose a fine of \$15,000 upon the Company.

Pursuant to RCW 48.05.185, failure to pay the fine timely shall constitute grounds for the revocation of the insurer's certificate of authority and for the recovery of the full fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED this 15th day of May, 2002 by:

WESTCHESTER FIRE INSURANCE COMPANY

Signed Name: _____

Printed Name: _____

Printed Title: _____

ORDER

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Fifteen Thousand Dollars (\$15,000) upon Westchester Fire Insurance Company, which fine must be paid in full within thirty days of the entry of this order in Olympia, Washington. Failure to pay the fine timely shall constitute grounds for the revocation of the insurer's certificate of authority, and for the recovery of the full fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON on this 17th day of May, 2002.

Mike Kreidler
Insurance Commissioner

By: _____
Charles D. Brown
Staff Attorney, Legal Affairs